



Coordinated Implementation Framework

Adopted on 16 October 2013

1. Summary

The 2011–2015 IAIS Strategic Plan and Financial Outlook (SPFO) set a clear mission for the IAIS and identified specific strategies and action plans to guide the work on standards implementation and the activities of the Implementation Committee and its Working Parties. Since adoption of the SPFO, the IAIS has made significant progress in these areas, including the establishment of important programs for enhancing observance of the Insurance Core Principles (ICPs) and improving insurance supervisory practices worldwide.

The Coordinated Implementation Framework (CIF) is a strategic overlay that enhances the IAIS' current implementation commitment and strengthens delivery on the existing strategies and actions plans. To do this, the CIF commits the IC to:

- Develop a robust programme of regional engagement
- Enhance relationships with key implementation partners
- Focus resources on areas and activities in line with the unique offering that the IAIS brings to implementation
- Strengthen alignment of IAIS implementation activities and coordinate implementation perspectives into all standard setting activities of the IAIS

The CIF will contribute to the strategic planning activities of the IAIS, helping to focus the contributions of the Implementation Committee (IC) to the Executive Committee's strategic planning activities and the annual Roadmap development process.

2. Current Approach to Implementation

The current approach to the implementation of IAIS supervisory material is guided by the IAIS mission statement and the 2011 – 2015 SPFO. The IAIS Mission Statement reads:

The mission of the International Association of Insurance Supervisors is to promote effective and globally consistent regulation and supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to contribute to global financial stability.

Within this overarching mission, the high level goal of standard implementation established in the IAIS SPFO is to:

Promote the development of fair, safe and stable insurance markets through:

- *the implementation of supervisory principles, standards and guidance,*
- *the assessment of their implementation, and*
- *cooperation among insurance supervisors.*

In support of this goal, the SPFO established the following strategic action plans for the Implementation Committee (IC) and its Working Parties:

1. Enhance supervisors' knowledge and understanding of IAIS supervisory principles, standards and guidance
2. Strengthen cooperation and exchange of information among supervisors
3. Address the application of insurance supervisory standards in specific circumstances
4. Enhance observance and assessment of IAIS ICPs and standards

In this way, the SPFO identified four main areas of work for the IAIS which are addressed in the work of the IC subcommittees: the Education Subcommittee, the Standards Observance Subcommittee, the Supervisory Cooperation Subcommittee, and the Financial Inclusion Subcommittee.

These IC Working Parties align their work with these strategic action plans:

Education Subcommittee

- The IAIS serving in a **"catalyst" role** for supervisory development, **assessor** of Members' education and training needs, **centralizer** of information relevant to supervisory development needs, and **promoter** of available training and relevant supervisory development opportunities through **leveraging** with external partners, as necessary.
- Continuing on-going activities such as supporting **regional seminars**, creating a set of **teaching notes**, and coordinating with relevant educational bodies
- Developing an **induction-level seminar**, updating the IAIS **Core Curriculum**, and sponsoring a **Supervisory Guide**

Supervisory Cooperation Subcommittee

- Promoting accession by members to the Multilateral Memorandum of Understanding (MMoU) and managing the application and approval process
- Monitoring **actual exchange of information** among Members both within and outside the MMoU, and developing guidance on effective information exchange
- Developing application guidance to enhance the use and usefulness of **supervisory colleges** in cooperation with the Insurance Groups Subcommittee, and overseeing the IAIS Repository of Supervisory Colleges (IROSC)

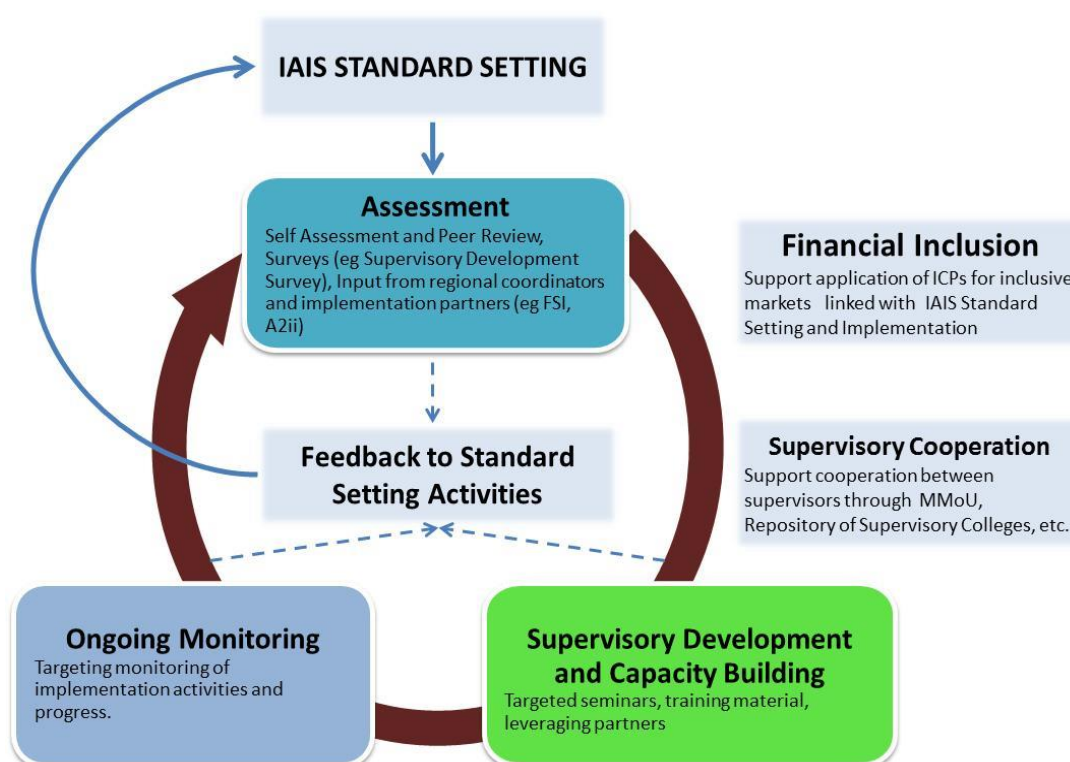
Standards Observance Subcommittee

- Developing self-assessment **questionnaires** and conducting thematic **peer reviews** of the revised ICPs (2011) and preparing **individual country reports** and an **aggregate report** on the results of the assessment and peer review
- Providing an essential **feedback loop** on the results of the peer reviews, including to standard-setting working parties if ICPs are found to be unclear, incomplete or not well-understood; and to the Education Subcommittee on training needs, including regarding the self-assessment process, the substance of the ICPs, and participating Members' areas of development identified in the reviews

Financial Inclusion Subcommittee

- Following up on the application paper on financial inclusion adopted in 2012, including an **assessment and peer review** exercise conducted by the Access to Insurance Initiative (A2ii)
- Engaging with the **A2ii** to develop training materials and increase awareness of financial inclusion, including a **Core Curriculum** module on financial inclusion
- Coordinating with the **Microinsurance Network** (MIN) on market conduct, distribution and consumer protection issues in inclusive insurance markets, and further work on mutuals, cooperatives and community organisations

The Working Parties' implementation activities run from the assessment of observance of IAIS ICPs and feedback to standard setting; to capacity building to respond to Members' development needs; to on-going monitoring; supplemented by the financial inclusion perspectives and the foundational work to enhance supervisory cooperation. This cycle of implementation activities is depicted below:



Through this cycle of implementation activities, the IC generates critical insights that are of value to the standard-setting activities of the IAIS. The assessment activities of the IC Working Parties identify challenges that Members experience in their efforts to understand the ICPs and incorporate them into local practice. While some of the challenges can be addressed through the activities of the ESC, the FISC, and implementation partners, additional steps may need to be taken by the standard setting working parties.

The IAIS implementation program receives critical support from members through the work of the IAIS Regional Coordinators (RC). RCs are chosen by their respective regions to act as a link between the IAIS and the Members. RCs also have a role in promoting the MMoU and regional training, and reporting on pertinent regional developments. The Secretariat is also increasingly requesting RCs to support outreach activities, eg, organising regional conference calls, that relate to other implementation activities.

3. Changing Context for Standard Setting Bodies

Following the financial crisis, the financial Standard Setting Bodies (SSBs) entered a phase of intense standards development. As much of this standard-setting work nears conclusion, the SSBs have turned their focus to implementation.

Through the Standing Committee on Standards Implementation (SCSI) and the Implementation Monitoring Network (IMN), the Financial Stability Board (FSB) monitors progress of FSB Members in implementing the G20 / FSB priority reforms. As part of the G20 mandate, Members of the FSB have also committed to observing international standards for financial sector supervision. The G20 has also encouraged non-members to strengthen financial sector supervision through implementation of international standards.

To support implementation of both the G20 / FSB priority reforms and international standards for financial supervision, the FSB has encouraged SSBs to strengthen their implementation efforts. SSBs have approached implementation differently:

- On the banking side, the Basel Committee on Banking Supervision (**BCBS**) has begun monitoring the adoption of the Basel III standards by BCBS Members, and assessing the consistency of local implementation by its members. These assessments, together with the publication of supporting implementation guidance and provision of training (e.g. via the Financial Stability Institute), aim to foster greater consistency and comparability in national adoption of the Basel III framework.
- The International Organisation of Securities Commissions (**IOSCO**) has taken a more activist role in implementation. Their focus is on assisting securities regulators through organising and providing regular workshops and seminars to share expertise and enhance the supervisory and surveillance capacity of securities regulators; technical assistance, education, training and research including through the IOSCO Foundation, which is expected to be established in the near future; monitoring via annual surveys of the resources and capacity of its members; provision of guidance and Frequently Asked Questions on relevant IOSCO Recommendations and Principles; and other measures (e.g. joint projects with international organisations) to promote the development of domestic capital markets. The implementation activities of IOSCO primarily target IOSCO Members from emerging markets.

While the IAIS has been a forerunner in terms of recognising standards implementation as a strategic focus, it is clear that the changing context implies that the IAIS will need to build on the existing strong foundations to ensure that it increasingly plays a more activist role in supporting jurisdictions to observe the ICPs and standards.

4. Enhancing our Current Approach: Coordinated Implementation Framework

The IC has reviewed the current approach to the IAIS's implementation activities in light of this changing context in order to determine if there are additional steps that the IAIS can take to better target Member's implementation needs.

The review focused on identifying strengths, weaknesses and gaps in the current overall approach of the IAIS to implementation of IAIS supervisory material. The review included consultations with Regional Coordinators and with implementation partners, such as the Access to Insurance Initiative (A2ii), the Financial Stability Institute (FSI), and development finance institutions. Through this review, the IC confirmed that the current implementation activities of the IC and its Working Parties are valuable tools and inputs to supervisors seeking to strengthen their observance and understanding of the ICPs. It was clear, however, that additional steps could be taken to maximize the IAIS investment in implementation, and to further strengthen the IAIS' role in supporting implementation.

At their June 2013 meeting, the IC reviewed the findings from the consultation and endorsed a set of objectives that would underpin the Coordinated Implementation Framework. The IC also endorsed the development of a high level action plan that would set out specific steps that could be taken to support these objectives. A clear vision was also adopted to guide the development of the CIF, namely:

Vision: Observance of the ICPs by all IAIS Members, supported by sufficient supervisory knowledge and capacity, recognising the need to support the application of principles in specific circumstances.

5. Guiding Principles of the Coordinated Implementation Framework (CIF)

The CIF is informed by a set of guiding principles. The guiding principles focus on areas where the IC can enhance the delivery and coordination of implementation activities for IAIS Members.

a. Regional Engagement

The membership of the IAIS consists of over 200 supervisory authorities in over 140 jurisdictions. The IAIS groups these members into 9 geographic regions. The IAIS currently engages with these regions through the RCs, through IAIS participation in regional forums and through regional representation on ExCo. RCs provide a vital two-way communication link between the IAIS and its members, ensuring IAIS information is distributed to IAIS Members within their region as well as generating and providing regional perspectives on IAIS activities. IAIS representation at regional forums is at the request of the regional forums and is generally focused on specific topics.

In consultations with RCs and with other implementation partners, it was noted that the IAIS approach to regional engagement has definite strengths, but that additional steps could be taken to

enhance the strategic focus of the IAIS in its interaction with the regions. Other SSBs have established specific forum or mechanisms for drawing out regional perspectives. For example, the Basel Consultative Group (BCG) links BCBS Member supervisors with non-member countries. Meetings of the BCG are held annually and these meetings generate input that is fed back to the Basel Committee main committees on issues that non-BCBS members face in implementation. IOSCO channels its regional engagement through regional forums which convene during their annual conference and face-to-face one or two times per year. The regional forums then channel their input through the Growth and Emerging Markets Committee (GEM) (previously the Emerging Markets Committee), which is a specialised working group of IOSCO focused on the development and improvement in efficiency of securities regulation, establishing principles and minimum standards, preparing training programs for the staff of members and facilitating exchange of information and transfer of technology and expertise. The FSB has also established consultative groups to bring together financial authorities from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability. The FSB currently has six regional consultative groups.

Under the CIF, the IAIS will undertake specific step to strengthen regional engagement. This enhanced regional engagement is targeted at increasing implementation support; however the structured approach to engagement with regions could be utilized to meet other IAIS needs (eg, consultation during the standard setting process) going forward.

Identifying Key Contacts

Each IAIS region is different and has different needs in terms of implementation. Each IAIS region also differs in terms of the way it organises itself with respect to IAIS engagement and representation. There tends to be a number of different facets to this engagement and representation:

- Each region appoints an RC, who plays a vital role in facilitating communication with the region and raising awareness of regional needs during meetings of the IC, but different regions have different approaches to appointing the RC and the seniority of the person performing this role
- Regional forums exist in most IAIS regions, but these regional groupings do not tend to map exactly to the IAIS regional groupings, and the regional forums are not always directly linked with the work of the IAIS and with the RCs. The RCs may not be involved in the work of regional forums
- The IAIS Executive Committee is structured in a way that ensures regional representation, but the regional representative on the ExCo is not always the same person as the RC (or even from the same jurisdiction of the RC) and may not necessarily be involved in IAIS implementation activities through the IC
- Members of the Secretariat may be engaged with RCs and with regional forums, but these engagements may be issue specific
- Individuals from IAIS Members who participate in IAIS activities may not be the same individuals as those who participate in regional forums

These multiple lines of communication create a challenge for ensuring that regional input is captured and that regional bodies are aware of relevant IAIS activities. While it is not proposed to follow a “one size fits all” approach to regional representation in IAIS implementation activities, there is a need to design an effective mechanism for representation and communication for each region, tailored to regional circumstances.

High Level Actions

- Designate members of the Secretariat as regional contact points with responsibility for monitoring regional activity and acting as a key contact within the Secretariat for regions
- Map out regional contacts (RC, Regional Forum Chair, IAIS Secretariat responsible for each region, ExCo regional representatives) and make available to members
- Facilitate a process with different regions to develop an effective mechanism for representation and communication for each region, tailored to regional circumstances
- Engage ExCo regional representatives in regional engagement programme
- Identify IAIS Members not actively engaged in regional groups and ensure they are informed of collective regional activities

Establishing a Regional Consultative Mechanism

The establishment of a regional consultative mechanism is critical for enhancing regional engagement.

The Regional Consultative Mechanism would allow for regular and structured contact with IAIS regions. These regular consultations would enable the IAIS to benefit from the perspective of the broader IAIS Membership at regular intervals on key IAIS topics, with the input then fed back into relevant IAIS Committees and Working Parties.

Again, the design of the regional consultation mechanism may tend to vary across regions depending on regional circumstances – for instance, in some regions it may be possible to build on existing regional forums – but this will need to be developed in consultation with regional representatives.

High Level Actions

- Organise regional meetings at the Annual Conference. IAIS Secretariat regional contact to support development of agenda and reporting on discussions
- Set up regional outreach calls at set intervals (eg, six months after the Annual Conference) or as needed to facilitate two way dialogues between regions and the IAIS on key initiatives and to generate regional input on IAIS activities
- Leverage regional groups to maximise the consultation of Members on the development of IAIS supervisory material

Engagement with Existing Regional Forums

Most IAIS Members are involved in at least one regional association or group. These regional forums are outside of the IAIS structure but provide another platform where insurance supervisors from particular regions get together to discuss regional priorities. Some regional forums have made implementation of the ICPs a priority. Others are more focused on specific issues or topics of interest to the region's members.

To maximize engagement with regional forums, the IAIS will work with regional forums to identify tools and partners who can assist them in identifying implementation needs and support for targeting these needs. A more structured engagement and relationship between the IAIS and regional forums would aim to establish implementation as a priority discussion item.

<i>High Level Actions</i>
• Identify areas where IAIS can enhance linkages with the regional forums • Ensure regular IAIS participation in regional forums to raise awareness of IAIS activities and enhance understanding and support for implementation

Regional Implementation Plans

To make meaningful progress in implementation, it is important that IAIS Members identify their own implementation priorities. Generating a bottom up approach, where IAIS Members are empowered to assess their needs and develop action plans on how to address those needs, is critical. In circumstances where multiple countries share the objective of greater observance of the ICPs, there is value in trying to identify regional needs. These regional needs can support the IAIS and implementation partners in achieving some economies of scale in targeting implementation activities.

Regional needs will be captured in **Regional Implementation Plans (RIPS)**. Development of these plans will focus on specific priorities and contain an action plan for addressing these needs. In some regions, due to the heterogeneity of needs, there may be multiple RIPS that correspond to different sub-regions. RIPS will be developed by jurisdictions who share an interest or desire to strengthen observance and understanding of the ICPs or supporting area of supervisory practice. While these RIPS will each be unique, reflecting regional circumstances and the existence of shared objectives and implementation priorities, they should be guided by a consistent set of criteria and key elements. The IAIS Secretariat (either directly or through implementation partners) will help facilitate the development of the RIPS, including ensuring consistency in terms of criteria and the key elements covered.

The World Bank (WB) is working with a group of countries in the Middle East and North Africa under a single project. During phase 1 of this project, the WB will support facilitated self-assessments of ICP observance in individual countries. In Phase 2, capacity building and technical assistance will be directed towards these gaps. Where common gaps or needs exist, a regional approach will be used to achieve greater efficiency of resources. The IAIS has provided some support to process and is monitoring its development. The A2ii and the Inter-American Development Bank have a similar project underway in Latin America. In the coming year, it is possible that similar projects will be launched in Sub Saharan Africa region and in South East Asia.

The CIF recognises that implementation is ultimately an activity that rests with the supervisory authority and policy makers in each jurisdiction. However, there is immense value created when regions or sub-regions come together to develop RIPS. The CIF envisages the IAIS providing high level encouragement for the development of these plans and identifying ways to support their execution.

High Level Actions

- Work with implementation partners to develop RIPS that support enhanced observance of the IAIS ICPs
- Once plans are in place, support regions and implementation partners to identify necessary experts, target additional areas of potential support, and identify IAIS' implementation activities that can support the objectives of the plan
- On-going reporting in the IC on progress with the implementation of RIPS

Regional Meetings of the Implementation Committee Working Parties

To support the regional programs, the IC will also seek to engage IAIS Members through taking steps to encourage IAIS Members to participate in the IAIS and its implementation activities. To do this, the IAIS will seek to hold regional meetings of the implementation committee and its working parties in different regions each year. To the extent possible, these meetings will include IAIS Implementation Committee Subcommittee meetings as well as a training / seminar component.

The IAIS will also explore the use of online meeting platforms for meetings of the implementation committee working parties. The objective of using online platforms will be to give IAIS Members who may not be in a position to travel to IAIS meetings an opportunity to be active contributors to IAIS discussions.

High Level Actions

- Once per year IC Working Parties will meet outside of the IAIS committee meetings. These regional meetings, to the extent possible, will occur in conjunction with a training / seminar component
- One meeting of each IC Working Party will be held online or by phone each year

Regional Coordinators

Each IAIS Region has an RC to support implementation activities. The RCs provide a valuable two-way link between the IAIS and IAIS Members in their respective region. There is however a number of tasks assigned to RCs. The amount of time that RCs can spend on these activities can be limited. RCs have expressed a desire to see the role reinvigorated and focused on specific priorities, with appropriate support to deliver on these priorities.

The role of RCs is valuable, although it needs to be refined and targeted given the increasing resources required to undertake this role. The first step will be working with RCs to see how they can best support the CIF and then defining a set of priorities for RCs, given the different models of regional representation in each region. These priorities could include supporting development of RIPS, acting as the convener for regional discussions at the IAIS Annual Conference, as well as continuing to act as an on-going two way communication conduit between regions and IAIS on implementation.

High Level Actions

- IC and RCs develop a refined mandate for RCs that recognises the primary objectives for the regional coordinator position, but are flexible to adjust to specific regional requirements and circumstances

b. Partnerships

The IAIS Executive Committee mandated that the IC, its working groups, and the Secretariat explore ways to coordinate with and leverage the activities of relevant partner organizations to further improve the design and delivery of programs to enhance implementation of IAIS ICPs and to improve supervisory practices.

Critical to effective partnership is identifying how each partner can work together to make progress on shared objectives. Also critical is clearly defining respective roles and responsibilities, and understanding the scope of activity for each of the partner. The preceding discussion around regional engagement identified a number of areas where the IAIS will work more closely with partners to enhance regional engagement and target regional implementation priorities. This section identifies how the IAIS can work with partners while maintaining control of its implementation strategy and objectives.

Access to Insurance Initiative

The Access to Insurance Initiative (A2ii) is a global partnership of development organisations and the IAIS.

Over the past 4 years, the A2ii spurred a global high-level discussion between supervisors, 10 development agencies and global players on regulatory approaches to enhancing access to insurance.

In spring 2013, the A2ii's Governing Board approved a new strategy for 2013 and beyond. The IAIS has the opportunity to drive the A2ii through strong representation and active participation in the A2ii governance structure. In its new phase, the A2ii will be providing more direct supervisory support to IAIS members and beyond. This support will primarily be targeted to enhancing access to insurance and inclusive insurance markets.

There is also the potential for expanding the scope of the A2ii's efforts to support the IAIS' implementation objectives and the CIF. For example, the A2ii could support aspects of the regional programme identified above, particularly in the development of RIPS. The A2ii is well placed to provide this support given that it already has presence on the ground in some regions and is aiming to expand on these activities.

The Financial Inclusion Subcommittee (FISC) and the IC will act as the primary link between the IAIS and the A2ii. The FISC and the A2ii are in the process of setting out respective roles and responsibilities, with the IC providing high level oversight and direction for the relationship.

High Level Actions

- The FISC and A2ii will define the roles and responsibilities for each partner in supporting access to insurance, specifically identifying which areas the A2ii will undertake in support of the implementation objectives of the IAIS
- The agreement will identify the scope of supervisory support provided by the A2ii and ensure that it is fully integrated into IAIS implementation framework
- The IC provides strategic oversight and direction on the FISC / A2ii relationship and how the relationship fits under the CIF

Financial Stability Institute

The Financial Stability Institute (FSI) objectives are to promote sound supervisory practices globally and support implementation of these standards in all countries. The IC is ultimately responsible for the relationship between the IAIS and the FSI, but the Education Subcommittee (ESC) has been the primary point of contact between the FSI and the IAIS.

The FSI currently offers an online web based tool “FSI Connect” that supervisors can access for information on relevant topics in insurance supervision. The FSI also hosts up to 8 seminars per year on insurance themes. Five of these seminars are hosted in regions. The FSI works with the host to organize the seminar and develop the agenda, consulting with the IAIS Secretariat throughout. The IAIS provides some financial and administrative support. The FSI is also keen to support the IAIS in other areas of supervisory capacity building and training.

The current Memorandum of Understanding (MoU) between the IAIS and FSI focusses exclusively on the development of online content for the FSI Connect modules. This agreement does not capture the current cooperation, nor does it set out the key principles underpinning the relationship between the IAIS and the FSI.

The IAIS and FSI will enter into a new agreement which covers the range of cooperation and establishes the principles which will guide how the IAIS and FSI will work together to achieve the mutual objective of implementation standards for insurance supervision.

High Level Actions

- Establish a more comprehensive agreement which covers the range of cooperation and sets out the key principles for the relationship between the IAIS and FSI

Regional Development Banks

A number of regional development banks have identified insurance sector development as a priority within their region. To support sector development, it is recognized that there must be an effective regulatory and supervisory framework.

The IAIS has held extensive discussions with the Asian Development Bank (ADB) to develop a programme for supervisory support within the Asia region. Discussions are on-going, but the essence of the programme would be support for assessment of observance, targeting supervisory capacity building and on-going monitoring. The role envisioned for the IAIS in this project is limited, but valuable insofar as the ADB could promote IAIS involvement to enhance the reputation of the programme. Further, the A2ii is also working closely with the Inter-American Development Bank on a regional programme for enhancing observance and understanding of the ICPs. This project is currently focused on four jurisdictions, but could be expanded to include other countries in the region at a later date. Other regional development banks, such as the African Development Bank, are also supportive of financial sector development and have engaged in projects to support enhanced observance of international financial sector standards.

In cooperating with regional development banks, the IAIS can be a catalyst by lending its reputation and support. However, it is important that the IAIS be very clear in terms of the expectations for these programme and only provide its support for ones where the programme is focused on building supervisory capacity and providing technical assistance in support of observance of the ICPs.

The A2ii, as noted above, is establishing itself as a key implementation partner for the IAIS and actively expanding its capacity to support for insurance sector development. The scope for how the IAIS works with the A2ii should also address cooperation with regional development banks to ensure coordination and effectiveness of interactions.

<i>High Level Actions</i>
• Define the expectations and scope for IAIS involvement in projects with regional development banks • Clearly identify the scope for IAIS engagement with regional development banks and how the IAIS can work with the A2ii to strengthen cooperation and engagement with regional development banks

World Bank / International Monetary Fund

The work of two organisations - the International Monetary Fund (IMF) and WB – is critically important for the work of the IC.

The WB and IMF are mandated by their members to assist national governments through diagnostic, surveillance, policy guidance and capacity-building work. The approach of the IMF and WB involves identifying weaknesses in regulatory and supervisory frameworks through Financial Sector Assessment Program (FSAP) and Review of Standards and Codes (ROSC) assessments; tailoring the strategy and sequencing of implementing internationally agreed reforms given country circumstances; improving compliance with international financial sector standards; providing hands-on support to enhance supervisory capacity through technical assistance; mobilising financial

resources to promote domestic finance, including by developing capital markets; and monitoring the effects of regulatory reforms. Since the financial crisis the work of the IMF and WB has expanded in these areas.

The WB in particular has provided extensive support for IAIS implementation activities. The ESC is currently working with the WB to revise the Core Curriculum and to develop a more operational Supervisory Guide. These projects will provide critical tools for supervisors looking to enhance their knowledge or to consult an authoritative resource on issues they encounter during their duties.

It is critical that the IAIS maximize its close connection with the WB and IMF to both strengthen our understanding of implementation challenges that exist, but to also maximize the range of support that is available to IAIS Members through jurisdiction level technical assistance and through support for global IAIS implementation activities.

<i>High Level Actions</i>
• Identify opportunities and the appropriate mechanism for IAIS Members to share their FSAP findings, with a focus on steps being taken to address gaps identified in FSAP / ROSC • WB and IMF should be asked to report on any emerging trends in their assessment activities • Define the expectations and scope of engagement for IAIS in implementation activities undertaken by the WB and IMF

Other Implementation Partners

Additionally, there is a range of other partners who provide direct support to supervisory authorities to strengthen regulatory frameworks and supervisory practices such as non-governmental organisations (such as the Toronto Centre) and private sector entities (such as Examination Resources and other training organisations), along with funding bodies (such as the FIRST Initiative). The work of these Implementation Partners is often targeted towards providing, or funding, technical assistance or providing training and knowledge to supervisors at a more general, be it regional or global, level. These bodies are often focused on general supervisor education, leadership skills, and other forms of professional development.

The IAIS is the source of standards for insurance supervision and regulation, and possesses important insights which emerge through its assessment activities. More structured relationships with the wide range of implementation partners would enhance the range of implementation support and tools available to IAIS Members.

One example of how the IAIS could work strategically with other implementation partners is found through preliminary discussions with the FIRST Initiative. FIRST is interested in exploring how IAIS Members could utilize their SAPR reports to access FIRST funding for technical assistance. Such a mechanism would place little or no additional resource burden on the IAIS, while simultaneously enhancing the value of the SAPR process and supporting greater observance and understanding of the ICPs.

High Level Actions

- Implementation partners should be briefed on the CIF and encouraged to work collaboratively with the IAIS to identify how to work collaboratively to achieve IAIS objectives
- Where none exists, the IAIS enters into a more formal arrangement with implementation partners to clearly define parameters and respective roles and responsibilities

c. Unique Offering

The FSB and G20 have reinforced the need for the IAIS and other standard-setting bodies to promote and monitor effective implementation in their respective sectors. This commitment supports the central position of the IAIS amongst insurance supervisors and the mission of the IAIS to support globally consistent regulation and supervision of insurers.

The IAIS has a unique offering in terms of implementation activities:

- Consultations on the CIF confirmed that the IAIS has strong credibility and a valued reputation as the international standard setting body on insurance supervision, and that Members strongly aspire to better observance of IAIS ICPs and standards
- With membership of over 200 supervisory authorities in over 140 jurisdictions, the IAIS is without question the most effective vehicle for engagement with supervisory authorities
- The IAIS value proposition for implementation lies in its credibility, global reach, knowledge generation, effective and focused self-assessment and peer review mechanism, and direct communication channels with supervisors.

At the same time, there are limitations to the implementation support that the IAIS can provide. The IAIS is neither a training institute nor a technical assistance provider. Resources available for implementation activities are limited and leveraging the activities of partners is critical.

Implementation Partners have expressed a strong desire to work with the IAIS because the credibility, knowledge and reach of the IAIS can enhance the reputation of implementation programme. However, it is important that the IAIS only provide its support for programme of sufficiently high quality and continue its diligence in identifying its highest priorities and its efforts to limit implementation activities to those where the IAIS can provide something unique.

The principle objective is on-going vigilance to ensure IAIS implementation resources are most effectively and efficiently utilized. Where insufficient resources exist to undertake a particular work stream, IAIS Members or implementation partners may be discouraged and the IAIS could expose itself to reputational risk.

Mapping and identifying priorities, along with the potential risks of not delivering on particular work stream, will support the IC in advocating for the resources necessary for its work.

Currently, each working party reports at the IC meeting and the IC provides steering in the Roadmap development process. Under the CIF, the IC takes a more active role in establishing and guiding strategic priorities where multiple Working Parties are active. A key element is identifying the

overarching implementation activities that are cross-cutting and require prioritisation and strategic guidance. To maximize the impact and value of IAIS implementation activities, regional perspectives should be clearly incorporated into our approach to implementation.

High Level Actions

- Prioritise support for training and supervisory support towards gaps and priorities identified in regional implementation plans and / or findings which emerge from IAIS assessments
- IC Working Parties to begin mapping near and long term implementation priorities, the work streams necessary to and resulting resource needs
- Develop a strategic approach for translation of key supervisory material and other implementation material into other widely spoken world languages
- Identify potential alternative funding mechanisms which could support implementation priorities

d. Integrated Activities

The implementation activities of the IAIS are already undertaken in an integrated fashion. For example, the development of Teaching Notes, a key initiative of the ESC, is being completed in collaboration with all standard-setting Working Parties. Further, the SAPRs undertaken by the SOSC are done in close collaboration with the standard-setting Working Party responsible for the ICPs being assessed. The challenge of the CIF is to further enhance the integration of activities by comprehensively identifying the range of interactions between processes and strengthening the implementation perspective brought to all IAIS activities.

At the appropriate time, current work on ComFrame and supervision of G-SIIs will require an implementation and monitoring programme. These programs should be integrated with the programs and tools developed by the IC and its Working Parties.. In addition, the FSB has made it a priority to understand and address the unintended consequences of implementation of reforms. The IC, given its mandate and structure, provides the ideal forum for monitoring and analyzing any unintended consequences associated with implementation of the G-SII policy measures.

In addition, the CIF will also support working parties in identifying areas where they can work more closely together (eg, standards assessment taking into account financial inclusion perspective in their Self-Assessment and Peer Review Program).

Further, the IAIS provides financial and in-kind support for regional seminars. Topics are generally identified by the regions themselves, with only minor steering by the IAIS. While the bottom-up nature of the regional seminars is ideal, further steering from the IAIS could ensure that regional seminars support the priorities which emerge from the IAIS regional engagement.

Jurisdictions hosting Standard Setting Working Parties meetings are also increasingly asking that members of those working parties stay on additional days to participate in training programme. This provides an excellent tool for disseminating IAIS Supervisory Material to a wide audience. However, it is important that if these programme are to have an IAIS stamp, that the IC have an opportunity to engage in the programme development and ensure that information emerging from these sessions be fed back to the IC.

The CIF supports dissemination of Working Party activities to regional partners. For example, Standards Observance activities should be shared with implementation partners at the regional and global level to ensure that these findings can be incorporated into their implementation activities.

<i>High Level Actions</i>

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| <ul style="list-style-type: none">• Working parties which conduct assessment activities related to implementation should hold technical briefings on findings with implementation partners• Where possible and within applicable confidentiality commitments, all assessments should be disaggregated to ensure that regional findings can be communicated to regional forums |
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The stated expectation of the IC will be for working parties to ensure that they engage with the FISC on potential financial inclusion / access to insurance perspectives and that supervisory cooperation and the MMoU be highlighted in regional engagements.

<i>High Level Actions</i>

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| <ul style="list-style-type: none">• The FISC should be provided with regular insights on implementation activities so that it can provide financial inclusion / access to insurance perspectives that should be taken into account• Plans for member jurisdictions to become MMoU signatories should be included as an element of RIPS |
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In respect to reporting, the IC will reorient working party reports in favour of thematic reporting on implementation areas (e.g. assessment, capacity building, etc.). This will help to drive a shift towards reporting on outcomes rather than the output.

<i>High Level Actions</i>

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| <ul style="list-style-type: none">• The IC will request IC working parties to work collaboratively to report on outcomes toward objectives identified in the CIF. This reporting would be in addition to the Roadmap progress reporting on initiatives and outputs |
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